



M e m o r a n d u m

To: Panel Members Date: April 24, 2003

From: Pam Haynes File: 64:06
Assistant Director

Subject: SMALL BUSINESS PILOT PROJECT (SBPP) UPDATE FOR APRIL 2003

BACKGROUND

The purpose of this pilot project is to test whether specific changes in ETP contracting processes and procedures can increase the number of small employers participating in ETP training who would otherwise not complete the ETP contracting process.

Participation would be limited to those small employers that:

- Employ 100 or fewer employees.
- Need less than 40 hours of training but at least 8 hours of training thus eliminating the need for the full and lengthy development of a curriculum.
- Total training costs does not exceed \$25,000.
- Are willing to participate in a modified contracting system that:
 - Simplifies (by combining) the eligibility and application process reducing the field office processing time to 5 days or less;
 - Allows for a shorter training agreement reducing processing, after approved, to as little as 1 day.
- Agree to a modified two-payment schedule that allows for an expedited (5-10 day) invoicing process.
- Can complete training within a 1 to 2 month period as oppose to as much as a two-year period.

SBPP CONTRACTS FOR PANEL CONSIDERATION

In your panel packet this month you will find eight (8) small business contracts developed under the SBPP. If approved by the Panel, this will bring the total number of contracts approved to 36 (35 projects) for the seven (7) months of project development. It represents 97 percent of the projects initially scheduled for funding under the initial SBPP.

This month's projects represent (5) employers from the manufacturing sector, two (2) employers from the services sector and one employer from the construction industry. Projects represent both urban and rural small employers and are located throughout the State in Humboldt, Alameda, Riverside, Napa, Los Angeles and San Diego counties. These small companies range in size from six (6) employees (*Avencom, LLC*) to a high of 89 employees (*Solid State Stamping, Inc.*).

The total ETP training cost for the eight (8) projects is \$101,740. The smallest contract is for \$2,000 (*Ideal Grinding Technologies, Inc.*) and the largest contracts are for \$24,960 (*Proactive Packaging & Display and Solid State Stamping, Inc.*). The total in-kind contribution for all eight employers totals \$112,234. The average ETP contract is just over \$12,700. Training hours range from a low of 28 hours to a high of 39 hours. Employee wages range from \$11.00 to \$49.50 an hour, with only one employer (*Ideal Grinding Technologies, Inc.*) having to use \$2.42 in health benefits to meet the hourly wage for Los Angeles County.

One employer (*Wingard Quality Supply, LLC*) read an article in the local newspaper regarding the Governor's visit to the NUMMI plant in Fremont. This company supplies NUMMI with assembled tires for its Toyota automobiles and light trucks. NUMMI officials made the referral to the California Manufacturing Technology Association (CMTA) and within 6 working days of the initial contact, ETP staff worked out the details of the training and prepared the final agreement before you today. Two projects (*Ideal Grinding Technologies, Inc* and *Sawing Services Company*) were referred by the Trade and Commerce Agency.

Another project (*Proactive Packaging and Display*) initially applied to the ETP more than a year ago. They did not follow through with their initial application. On March 17, 2003, they applied again, this time under the SBPP, and within 10 working days a contract was completed and submitted.

In addition, our small business development staff is currently working with 12 applications to bring forward for your review at the April Panel meeting. The attached chart shows (should the Panel approve the project before them today) the 36 contracts (35 Projects) developed to date, representing a total of \$429,440 in funds committed to the Small Business Pilot Project.

SMALL BUSINESS PILOT PROJECT EVALUATOR

Staff is currently developing the Interagency Agreement with the Ohrenschall Center for Entrepreneurship, College of Business at California State University, San Francisco to perform the SBPP evaluation.

Attachment

DEVELOPMENT ACTIVITY UNDER THE SMALL BUSINESS PILOT PROJECT

Reference Number	Contractor	RED Received	RED Assigned	Field Office Assigned	Site Visit	Application for Funding Received	Dollar Amount	ETP Agreement Number	CRU Received Date	ETP Agreement Approved Date	SBPP Agreement Number	Date Returned to Standard Development
02-0216	MWS Wire Products, Inc	12/03/2001	12/03/2001	LA	12/11/2001	10/03/2002	\$7,340.00	ET03-0190-000	10/10/2002	10/24/2002	03	
02-0233	Castle Press, Inc.	12/11/2001	12/11/2001	LA	02/07/2002	11/20/2002	\$14,000.00	ET03-0189-000	10/10/2002	10/24/2002	02	
02-0519	VAS Engineering	06/18/2002	06/20/2002	SD	07/16/2002							10/16/2002
03-0007	POLYONE	07/08/2002	07/18/2002	LA	12/13/2002	12/13/2002	\$7,820.00	ET03-0270-000	02/06/2003	02/27/2003		12/13/2002
03-0042	Sihegee USA	08/06/2002	08/27/2002	SD	10/09/2002							10/16/2002
03-0072	Pacifica Capital Company	09/03/2002	09/04/2002	SD	10/07/2002	10/08/2002	\$14,880.00	ET03-0194-000	10/10/2002	10/24/2002	06	
03-0078	Pelican Rope Products	09/09/2002	09/17/2002	SD	10/18/2002	11/06/2002	\$2,760.00	ET03-0207-000	11/13/2002	11/21/2002	08*	
03-0079	Qualion, LLC	09/09/2002	09/12/2002	LA	10/07/2002	11/12/2002	\$24,400.00	ET03-0209-000	11/13/2002	11/21/2002	07	
03-0090	Gordon Laboratories	09/19/2002	09/19/2002	LA	10/25/2002	10/25/2002	\$20,280.00	ET03-0210-000	11/13/2002	11/21/2002	09	
03-0094	US Rigging Supply Company	09/23/2002	09/23/2002	SD	10/18/2002	11/06/2002	\$3,120.00	ET03-0208-000	11/13/2002	11/21/2002	08*	
03-0104	Cypress Grove Chevre, Inc.	09/30/2002	10/01/2002	SC	10/04/2002	10/04/2002	\$3,120.00	ET03-0188-000	10/10/2002	10/24/2002	01	
03-0107	Imagic, Inc.	10/02/2002	10/02/2002	LA	10/04/2002	10/04/2002	\$2,280.00	ET03-0191-000	10/10/2002	10/24/2002	04	
03-0108	Promor Unlimited	10/02/2002	10/02/2002	LA	10/08/2002	10/08/2002	\$17,940.00	ET03-0192-000	10/10/2002	10/24/2002	05	
03-0109	Z Microsystems	10/02/2002	10/02/2002	SD	10/15/2002	11/21/2002	\$12,800.00	ET03-0228-000	12/04/2002	12/19/2002	15	
03-0112	Payroll People, Inc.	10/04/2002	10/04/2002	SC	10/25/2002	12/19/2002	\$5,760.00	ET03-0239-000	12/23/2002	01/23/2003	19	
03-0138	Frontline Sales, Inc.	10/21/2002	10/25/2002	LA	11/05/2002	11/05/2002	\$7,100.00	ET03-0214-000	11/13/2002	11/21/2002	10	
03-0143	Unichem Industries	10/25/2002	10/29/2002	LA	11/01/2002	11/06/2002	\$4,380.00	ET03-0213-000	11/13/2002	11/21/2002	13	
03-0147	Empower RF Systems, Inc.	10/31/2002	10/31/2002	LA	11/04/2002	11/05/2002	\$2,880.00	ET03-0212-000	11/13/2002	11/21/2002	12	
03-0149	Ortho Engineering	11/05/2002	12/18/2002	LA	01/03/2003	01/13/2003	\$14,400.00	ET03-0258-000	01/13/2003	01/23/2003	20	
03-0153	RINA Accountancy Corporation	11/05/2002	01/10/2002	SM								01/10/2003
03-0154	Sercomp Corporation	11/06/2002	11/06/2002	LA	11/05/2002	11/05/2002	\$20,280.00	ET03-0211-000	11/13/2002	11/21/2002	11	
03-0163	T Christy Enterprises, Inc.	11/07/2002	11/08/2002	SD	12/03/2002	12/03/2002	\$24,960.00	ET03-0236-000	12/04/2002	12/19/2002	14	
03-0165	Industrial Modification & Repair, Inc.	11/07/2002	11/08/2002	LA	11/12/2002	12/03/2002	\$12,480.00	ET03-0234-000	12/06/2002	12/19/2002	16	
03-0173	Santa Cruz Millwork	11/19/2002	11/19/2002	SM	12/05/2002	12/05/2002	\$3,640.00	ET03-0235-000	12/06/2002	12/19/2002	18	
03-0176	TLD Distribution, Inc.	11/22/2002	12/10/2002	LA	12/03/2002	12/03/2002	\$24,960.00	ET03-0233-000	12/06/2002	12/19/2002	17	
03-0192	Primer Systems, Inc.	12/04/2002	12/18/2002	SD	12/20/2002							
03-0195	American Cargoservice, Inc.	12/10/2002	12/10/2002	SD	12/20/2002							
03-0200	Sciron Consulting Group	12/11/2002	12/18/2002	SD	12/20/2002							
03-0220	Price Transfer	12/30/2002	01/14/2002	LA								
03-0221	Art Craft Paint	12/30/2002										02/28/2003
03-0228	Simmons Machinery Company	01/07/2002	01/10/2003	SM	01/15/2003							
03-0230	NVISION, Inc.	01/10/2003	01/10/2003	SC	01/10/2003	01/10/2003	\$7,400.00	ET03-0259-000	01/13/2003	01/23/2003	21	
03-0246	Castor Technologies	01/27/2003	03/25/2003	SD	03/21/2003							
03-0247	Orlando Spring Corporation	01/31/2003	01/10/2003	SD	02/11/2003	02/11/2003	\$17,160.00	ET03-0278-000	02/13/2003	02/27/2003	22	
03-0250	Roy E. Whitehead	02/04/2003	02/04/2003	SD	02/11/2003	02/11/2003	\$14,000.00	ET03-0279-000	02/13/2003	02/27/2003	23	
03-0251	Key Electronics Mfg.	02/04/2003	02/05/2003	SD	02/11/2003	02/11/2003	\$3,040.00	ET03-0277-000	02/13/2003	02/27/2003	24	
03-0253	Color Ad	02/07/2003	02/11/2003	LA	02/13/2003	02/13/2003	\$24,960.00	ET03-0282-000	02/14/2003	02/27/2003	25	
03-0254	Aremac Heat Treating, Inc.	02/04/2003	02/10/2003	LA	02/13/2003	02/13/2003	\$8,800.00	ET03-0281-000	02/14/2003	02/27/2003	26	
03-0260	Edge Circuit Technology	02/18/2003	02/18/2003	SD								
03-0261	Owens Design, Inc.	02/20/2003	02/20/2003	SM	02/21/2003	03/04/2003	\$9,360.00	ET03-0305-000	03/11/2003	03/27/2003	27	
03-0275	International Metal Trading Company	03/03/2003	03/06/2003	LA								
03-0278	Avencom, LLC	03/04/2003	03/06/2003	SD	03/04/2003	04/07/2003	\$3,020.00	ET03-0315-000	04/07/2003			
03-0279	Wright Capacitors, Inc.	03/06/2003	03/10/2003	SD								

* This ETP Agreement was counted as a single Small Business Pilot Project as the employers were co-owned and co-located.

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03-0285	Solid State Stamping, Inc.	03/11/2003	03/11/2003	SD	03/24/2003	04/07/2003	\$24,960.00	ET03-0314-000	04/07/2003			
03-0295	Proactive Packaging and Display	03/17/2003	03/17/2003	SD	04/02/2003	04/02/2003	\$24,960.00	ET03-0312-000	04/07/2003			
03-0303	Construction Navigator	03/20/2003	03/24/2003	SM	04/04/2003							
03-0313	Ideal Grinding Technologies	03/21/2003	03/24/2003	LA	04/09/2003	04/09/2003	\$2,000.00	ET03-0323-000	04/10/2003			
03-0316	Sawing Services Company	03/24/2003	03/25/2003	LA	04/09/2003	04/09/2003	\$2,400.00	ET03-0322-000	04/10/2003			
03-0317	Vektrek Electronic Systems, Inc.	03/25/2003	03/27/2003	SD								
03-0325	Prompt Machine Products	03/25/2003	03/25/2003	LA								
03-0327	Holly Yashi, Inc.	03/27/2003	03/27/2003	SC	04/04/2003	04/07/2003	\$19,500.00	ET03-0319-000	04/08/2003			
03-0331	Power Industries, Inc.	03/28/2003										
03-0332	Joseph Phelps Winery	03/28/2003	04/01/2003	SC	04/04/2003	04/07/2003	\$3,840.00	ET03-0318-000	04/08/2003			
03-0336	Roots & Rhythm	03/31/2003	04/03/2003	SM								
03-0337	J Vineyards and Winery	04/03/2003	04/06/2003	SC								
03-0345	Wingard Quality Supply	04/09/2003	04/09/2003	SM	04/07/2003	04/09/2003	\$20,280.00	ET03-0325-000	04/10/2003			
03-0259	Southwest Show Tech	04/08/2003	04/10/2003	SD								
03-0360	Gundlach Bundschu Winery	04/09/2003	04/11/2003	SC								
03-0367	Ram Laboratories	04/10/2003	04/11/2003	SD								
03-0368	Dual Graphics	04/11/2003	04/11/2003	LA								
03-0380	Lans Electric Motor and Tool Inc.	04/15/2003	04/15/2003	LA								
03-0369	Domaine Carneros	04/11/2003	04/11/2003	SC								
03-0370	Information Management Resource, Inc.	04/11/2003	04/11/2003	SD								
Total Activity:		63	61		42	36	\$ 429,440.00	36	36	28	28	5
Active Development:		20										

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